



General Assembly

**Substitute Bill No. 472**

February Session, 2016

\* SB00472JUD 033016 \*

**AN ACT CONCERNING THE ASSIGNMENT OF LIENS FILED BY A MUNICIPAL TAX COLLECTOR AND A STUDY OF THE MUNICIPAL TAX LIEN FORECLOSURE PROCESS BY THE CONNECTICUT LAW REVISION COMMISSION.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-195h of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2016*):

3 (a) Any municipality, by resolution of its legislative body, as  
4 defined in section 1-1, may assign, for consideration, any and all liens  
5 filed by the tax collector to secure unpaid taxes on real property as  
6 provided under the provisions of this chapter. The consideration  
7 received by the municipality shall be negotiated between the  
8 municipality and the assignee. The assignee or assignees of such liens  
9 shall have and possess the same powers and rights at law or in equity  
10 as such municipality and municipality's tax collector would have had  
11 if the lien had not been assigned with regard to the precedence and  
12 priority of such lien, the accrual of interest and the fees and expenses  
13 of collection and of preparing and recording the assignment. The  
14 assignee shall have the same rights to enforce such liens as any private  
15 party holding a lien on real property including, but not limited to,  
16 foreclosure and a suit on the debt.

17 (b) The assignee, or any subsequent assignee, shall provide written

18 notice of an assignment, not later than thirty days after the date of such  
19 assignment, to: [any]

20 (1) Any holder of a mortgage, on the real property that is the subject  
21 of the assignment, provided such holder is of record as of the date of  
22 such assignment. Such notice shall include information sufficient to  
23 identify [(1)] (A) the property that is subject to the lien and in which  
24 the holder has an interest, [(2)] (B) the name and addresses of the  
25 assignee, and [(3)] (C) the amount of unpaid taxes, interest and fees  
26 being assigned relative to the subject property as of the date of the  
27 assignment; and

28 (2) The taxpayer against whom such lien has been filed. Such notice  
29 shall include information sufficient to identify (A) the property that is  
30 subject to the lien, (B) the name and address of the assignee, (C) the  
31 amount of unpaid taxes, interest and fees being assigned relative to the  
32 subject property as of the date of the assignment, and (D) the terms of  
33 any proposed payment plan offered by the assignee that delineates the  
34 amount of the unpaid taxes, the interest owing on the unpaid taxes  
35 and any fees that are to be paid by the taxpayer to the assignee. Such  
36 notice shall also inform the taxpayer that the assignee may seek to  
37 recover any costs and reasonable attorneys' fees from the taxpayer in  
38 the event that the assignee initiates a foreclosure action or other legal  
39 proceeding pursuant to this section to collect on the debt.

40 Sec. 2. (*Effective from passage*) The Connecticut Law Revision  
41 Commission shall study the adequacy of state processes governing the  
42 foreclosure of tax liens by a municipality. Such study shall include, but  
43 not be limited to: (1) The feasibility of establishing an expedited  
44 process for tax foreclosures on small parcels of land on which taxes  
45 have not been paid for ten years or more; (2) an examination of the  
46 constraints that municipalities encounter when foreclosing on such tax  
47 liens; and (3) an examination of the due process issues which affect  
48 municipalities and interested parties when foreclosing on such tax  
49 liens. On or before January 1, 2017, the commission shall present its  
50 recommendations, including recommendations for proposed statutory

51 revisions, if any, to the joint standing committees of the General  
52 Assembly having cognizance of matters relating to municipalities and  
53 the judiciary and to the Chief Court Administrator.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	12-195h
Sec. 2	<i>from passage</i>	New section

**JUD**      *Joint Favorable Subst.*